

In the Matter of:

ALLEGED FAILURE TO COMPLY WITH ADMINISTRATIVE)
REGUALTIONS 807 KAR 5:006, SECTION 24, AND)
807 KAR 5:041, SECTION 3)

SETTLEMENT AGREEMENT

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WHEREAS, on June 25, 2002, this Commission entered an Order establishing this case and directing KU to show cause why it should not be subject to the penalties of KRS 278.990(1) relating to this Incident; and,

WHEREAS, on July 15, 2002, KU, by counsel, filed its response to the Commission's Order of June 25, 2002; and,

WHEREAS, on July 24, 2002, KU, through counsel, and Commission Staff met at an informal conference at the Commission's offices; and

WHEREAS, on August 1, 2002, KU filed information requested by Commission Staff at the informal conference.

WHEREAS, KU and Commission Staff desire to settle the issues raised by this proceeding and have entered into this Settlement Agreement through compromise.

NOW THEREFORE, KU and Commission Staff agree that:

1. KU has a duty to comply with the provisions of Chapter 278 of the Kentucky Revised Statutes and Commission regulations promulgated thereunder.

2. Within 10 days after the entry of an Order approving this Settlement Agreement KU shall pay to the Commonwealth of Kentucky the sum of Three Thousand Five Hundred Dollars (\$3,500). This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.

3. Nothing contained herein shall be construed as an admission of a willful violation of any statute or administrative regulation, nor shall the Commission's

acceptance of this agreement be construed as a finding of a willful violation of any statute or administrative regulation.

4. This Settlement Agreement is subject to the acceptance of and approval by the Commission.

5. Commission Staff shall recommend to the Commission that this Settlement Agreement be accepted and approved.

6. If the Commission fails to accept and approve the Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on any of the signatories.

7. If the Commission accepts and adopts this Settlement Agreement in its entirety and enters an Order in this proceeding to that effect, KU shall not apply for a rehearing in this matter, nor bring legal action for judicial review of the Order.

8. The photographs of the wire cutters attached to the Commission Staff's Accident Report accurately depict the wire cutters used by Mr. Cardin at the time of the incident and the parties agree that KU may withdraw the wire cutters it produced as an Exhibit to its filing of August 1, 2002.

IN WITNESS WHEREOF, KU and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

KENTUCKY UTILITIES COMPANY

BY Linda L. Putman
TITLE Senior Attorney
DATE 12/17/2002

STAFF OF THE PUBLIC SERVICE
COMMISSION OF KENTUCKY

BY Quita A. Mitchell
TITLE Staff Attorney
DATE 12/18/02

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00049 DATED December 22, 2003.

In the Matter of:

ALLEGED FAILURE TO COMPLY WITH ADMINISTRATIVE
REGULATIONS 807 KAR 5:006, SECTION 24, AND
807 KAR 5:041, SECTION 3

ADDENDUM TO SETTLEMENT AGREEMENT

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shall specifically include in that training instructions on the requirements of the National Electric Safety Code.

2. KU shall require each and every field employee to attend the annual safety and compliance training program on personal protective equipment and shall require each employee to attest to his or her attendance.

3. KU shall submit to the Commission, each January for the next two years (2004 and 2005), the agenda for, and any written training materials associated with, the annual safety and compliance training program on personal protective equipment, as provided to field employees during the previous year. Such agenda shall identify the objectives of the program, topics covered and participant requirements (i.e. test at program completion, etc.) In addition, KU shall submit to the Commission the attendance sheet for each session conducted during the previous year. After 2005, KU shall keep this information on file at KU's offices and make it available to the Commission upon request.

KENTUCKY UTILITIES COMPANY

BY Linda J. Potasnik
TITLE Attorney
DATE Nov 30, 2003

STAFF OF THE PUBLIC SERVICE
COMMISSION OF KENTUCKY

BY Anita J. Mitchell
TITLE Staff Attorney
DATE December 8, 2003